Form 3160-3 (July 1902)

UNITED STATES

DEPARTMENT OF THE IN		U-0:	2030	
APPLICATION FOR PERMIT TO			C. IF INDIAN, ALLOTTER	OR TREE NAME
	DRILL OR DEEPE	<u> </u>		VA.
1a. TYPE OF WORK DRILL IX DEEPEN	_		7. UNIT AGREEMENT NA	
DRILL X DEEPEN			DEN WA	SH UNIT
a. Type of well on. Gas	SINGLE MULTIPLE		A. FARM OR LEASE NAM	
WELL X WELL OTHER	ZONE X ZONE			
2. NAME OF OPERATOR			RWU #	22-308
Shenandsah Energy Inc.	11002 East 17500 Sout		S. API WILL NO.	
3. ADDRESS AND TELEPHONE NO. Phone: 436-781-4341 Fax: 438-781-4329	Vernal, Utah 84078	N ·	16. PIELD AND POOL, OF	WEDCAT
				SH UNIT
4. LOCATION OF WILL (Report location closely and in accordance with a M surface 1896 FAL 1891 FWL	4449089 N			
1806.8' FML 1800.6' FWL SENW At proposed pred. Zone	638663E		11. SEC.,T.,R.,M., OR BLI AND SURVEY OR AREA	
Same	U JOUU JE		SEC. 30,	T78, R23E
14. DEFINICE IN MILES AND IMPROTION FROM HEAREST TOWN ON FOR	T OFFICE		11. COUNTY OF PARISON	13.87ATE
4 miles West of Redwash Utah	18, NO. OF ADRES IN LEASE	17, 10, 07	GREE ASSISTANCE	13.00
LOCATION TO HEAREST 1890' ±	1875.8	TO THE	WELL	
PROPERTY OR LEASE LINE, FY. (Also to appear day, that has if any)			40	
18. BISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, SKILLING, COMPLETED, 1000' ±	19. PROPOSED DEFTH 5944'	20. NOTAKI	OR GABLE TOOLS Rotary	
OR APPLIED FOR ON THIS LEASE, FT.	3944	<u> </u>	122 APPROX DATE WOR	FIGURE STATE
21. ELEVATIONS (their whether DF, RT, GR, etc.) SSS4.3' GR				.A.P
23, PROPOSES CARINE AND CEMENTING PROGRAM			4	
REFER TO S.O.P				
Shenandeah Energy Inc. proposes to drill a well to 5944' t	and the second s		ng will be run and th	e well completed.
If dry, the well will be plugged and abandoned as per BLM Opeations will be according to the Standard Operating Prairies Green River formations.			falloy Federal Unit s	nd surrounding
See Onshore Order No. 1 attached.				
Please be advised that Shenandesh Energy inc. is conside Shenandesh Energy Inc. agrees to be responsible under to conducted upon the lease lands.	he terms and conditions of the	bove ment lease for t	he operations	
Bend coverage for this well is provided by Bend No. 0860. Energy Inc. via surety as consent as provided for in 43 CF			V	
IN ABOVE SPACE DESCRIBE PROPOSES PROGRAM: If proposal in to despon, despon directionally, give pertinent data on subscribes locations and measured and tree	give data on present productive zone and prope vertical daytha. Sive blowest proventer prope	T 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ive seas. If proposal is to drill	•
Busst John Busst	ch TITLE Red Wash Operati	ons Repres	entative BA	TE 11/16/00
(This space for Federal or State office uses) 42 AUD 327/7	or Second	A1 BATT		
PERMIT NO. 13091-35/167	APPROV			at executions thereon.
Application approval does not warrant or certify that the applicant helds legal or equinositions OF APPROVAL, IF ANY:	ermane and to moos tilium in me susject ton			

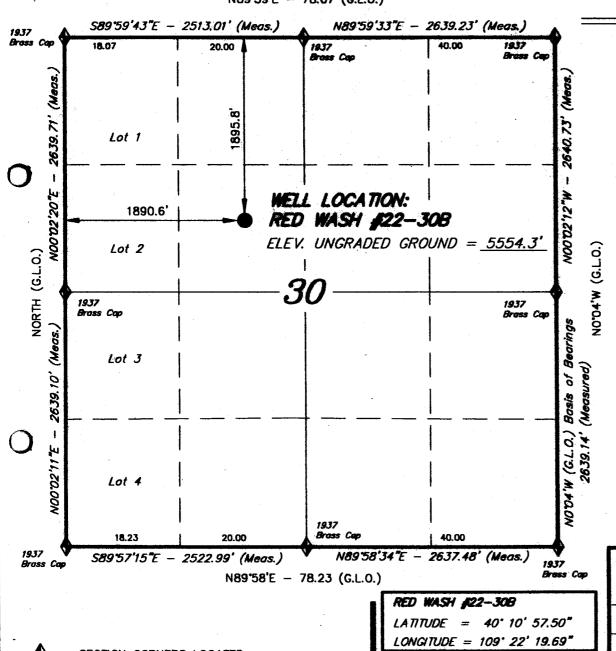
*See Instructions On Reverse Side

NOV 2 1 2000

T7S, R23E, S.L.B.&M.

N89'59'E - 78.07 (G.L.O.)

SHENANDOAH ENERGY, INC.



WELL LOCATION, RED WASH #22-30B, LOCATED AS SHOWN IN THE SE 1/4 NW 1/4 OF SECTION 30, T7S, R23E, S.L.B.&M. UINTAH COUNTY, UTAH

NOV 2 1 2000 DIVISION OF OIL, GAS AND MINYN

THIS IS TO CERTIFY UMMO THE ABOVE PLAT WAS PREPARED THE DAY OF ACTUAL SURVEYS MADE BY HEAD CONDER IN STREET TO THE BEST OF MY KNOWLEDGE AND SELECT.

REGISTERED LAND SURVEYOR REGISTRATIONARY 144 02

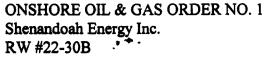
TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078 (435) 781-2501

SCALE:	1" = 1000'	SURVEYED BY:	D.J.S.
DATE:	11-13-00	WEATHER:	SNOWY
DRAWN BY:	J.R.S.	FILE #	

= SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (RED WASH)



DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	Depth	Prod. Phase Anticipated
Uinta	Surface	
Green River	3089'	
Mahogany Ledge	3994'	
Mesa	5769'	
TD (Green River)	5944'	Oil

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones
The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Oil/Gas	Green River	5944'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

- 3. Anticipated Bottom Hole Pressures

 Maximum anticipated bottom hole pressure equals approximately 2377.6 psi.
- 4. Surface Ownership
 The well pad and access road are located on lands owned by the Federal Government.

and the second of the contract of the contract

MOV 2 1 2000

Shenandoah Energy Inc. RW #22-30B

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC. RED WASH UNIT #22-30B SENW, SEC. 30, T7S, R23E UINTAH COUNTY, UTAH

1. Site Specific Stipulations

As per the onsite on November 15 with Greg Darlington Vernal BLM, Byron Tolman Vernal BLM, Raleen Searle Shenandoah Energy Inc., John Busch Shenandoah Energy Inc. the following stipulations were determined:

There will be no pit liner required. There will be a seed mix of 12lbs per acre consisting of:

4lbs per acre - Fourwing Saltbush

4lbs per acre - Western Wheat Grass

4lbs per acre - Needle & Thread Grass

2. Other Information

See attached maps

Topo map A- Access routes

Topo map B- Proposed Access road

Topo map C- Location of wells within a one mile radius

Topo map D- Proposed pipeline



NOV 2 1 2000

DIVISION OF OIL, GAS AND MINING

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Burel

John Busch Red Wash Operations Representative November 16, 2000

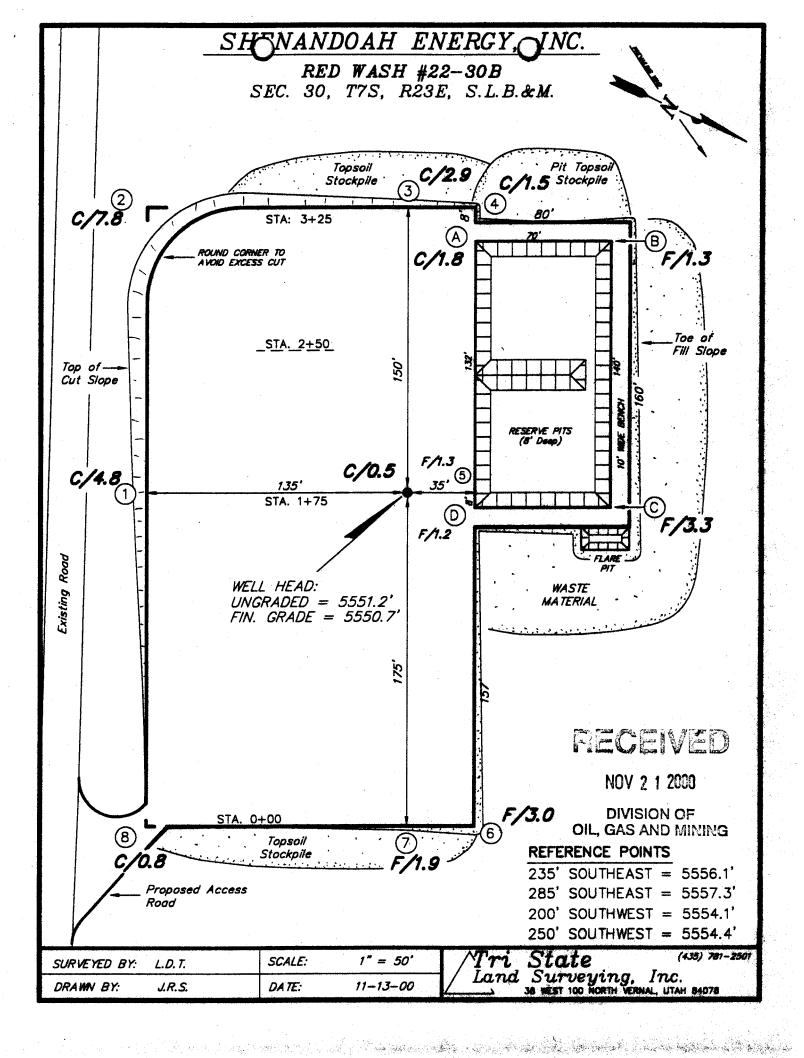
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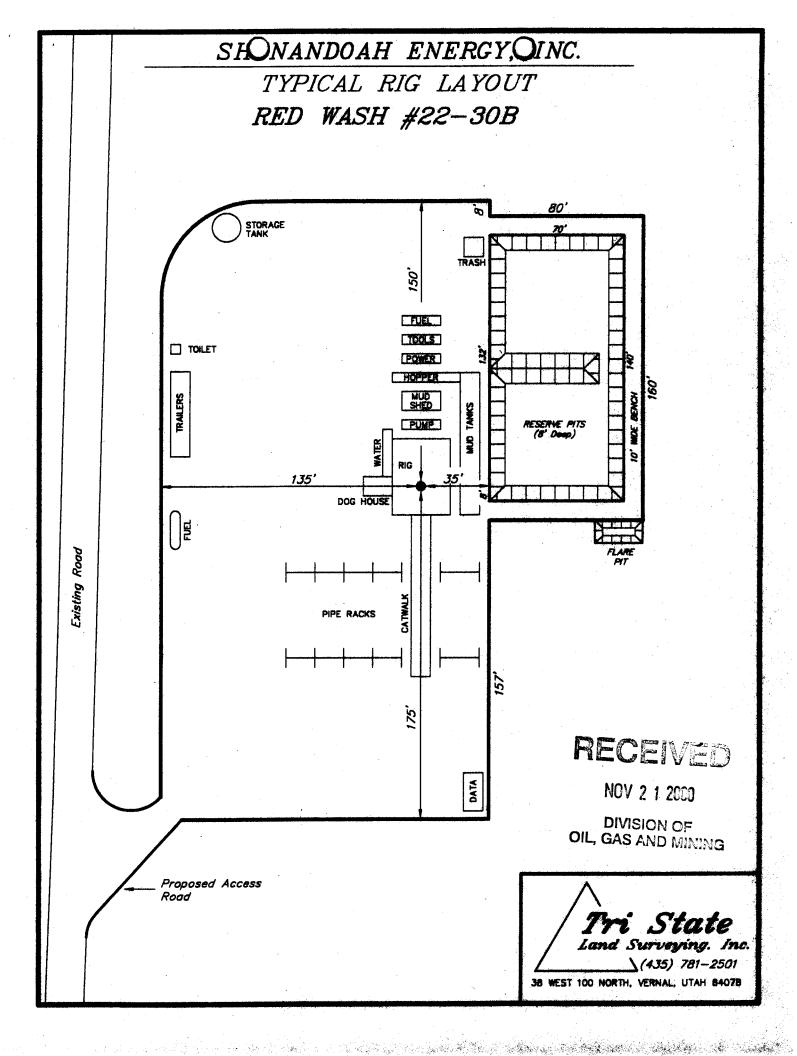
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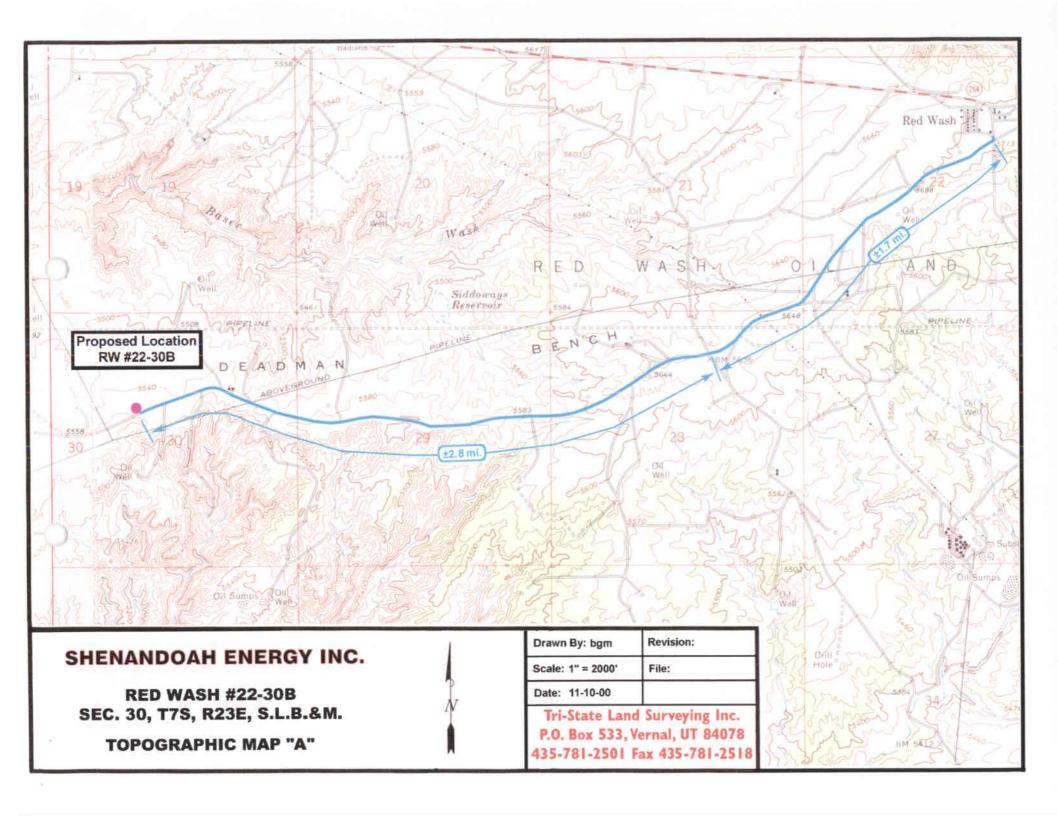
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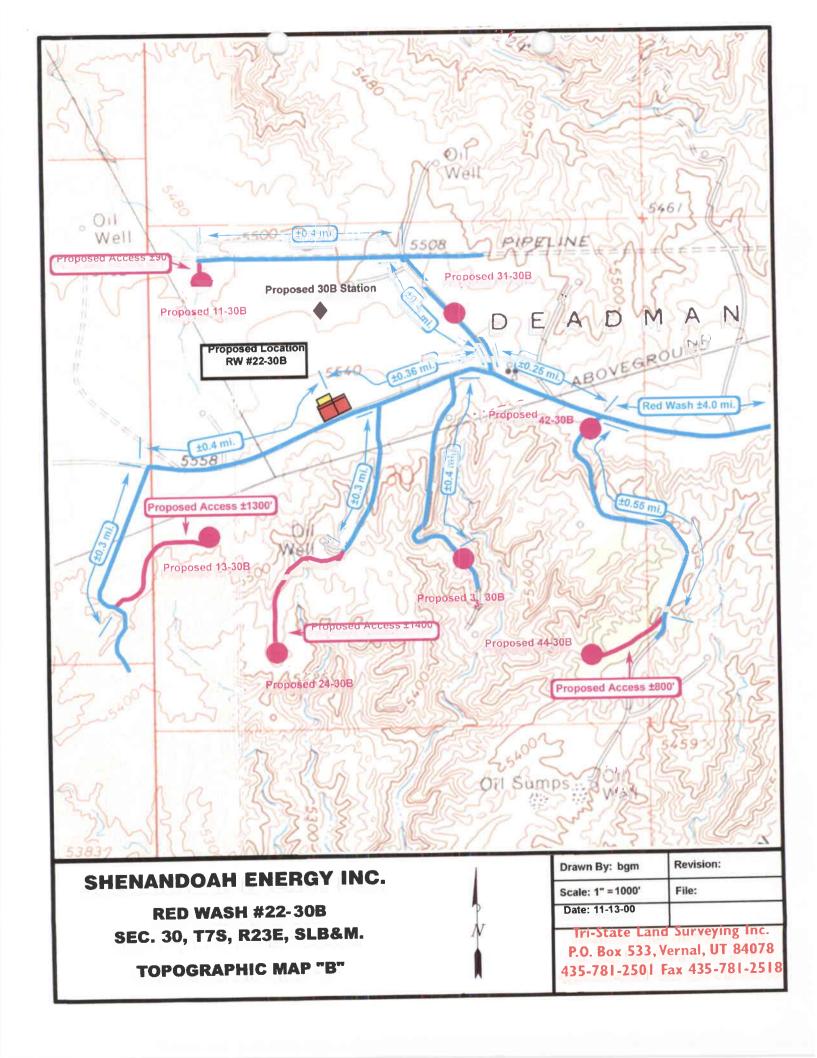
DIVISION OF OIL, GAS AND MINING

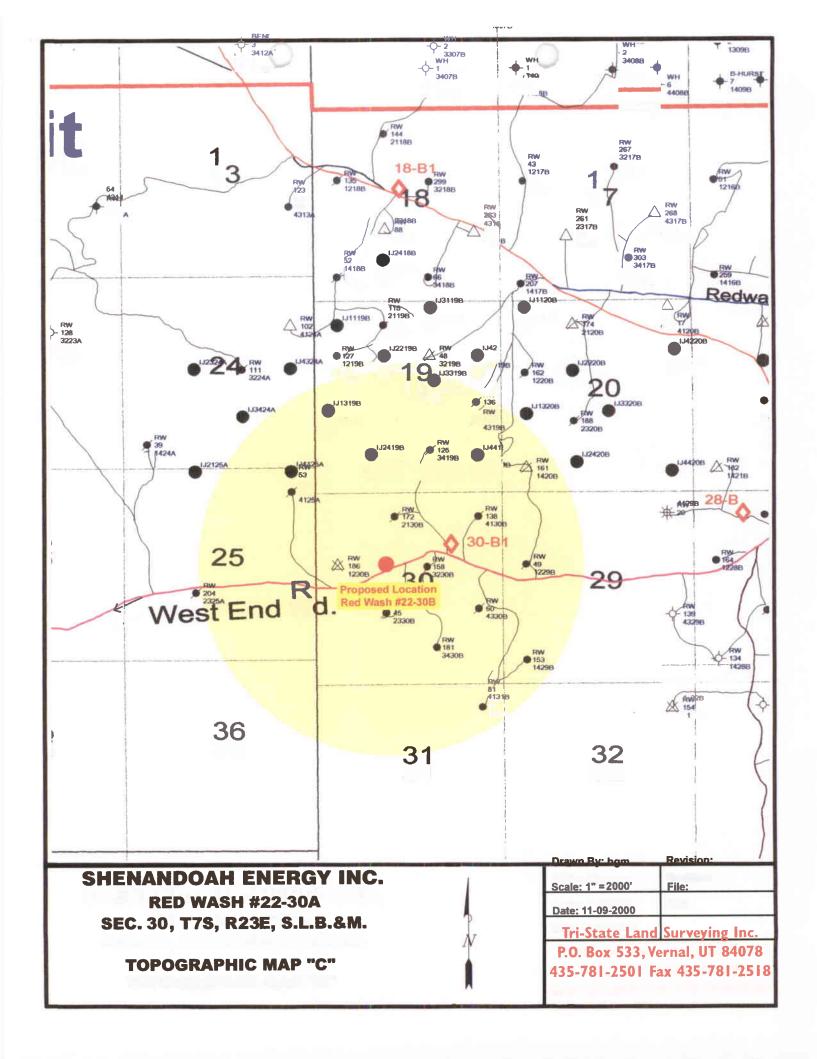


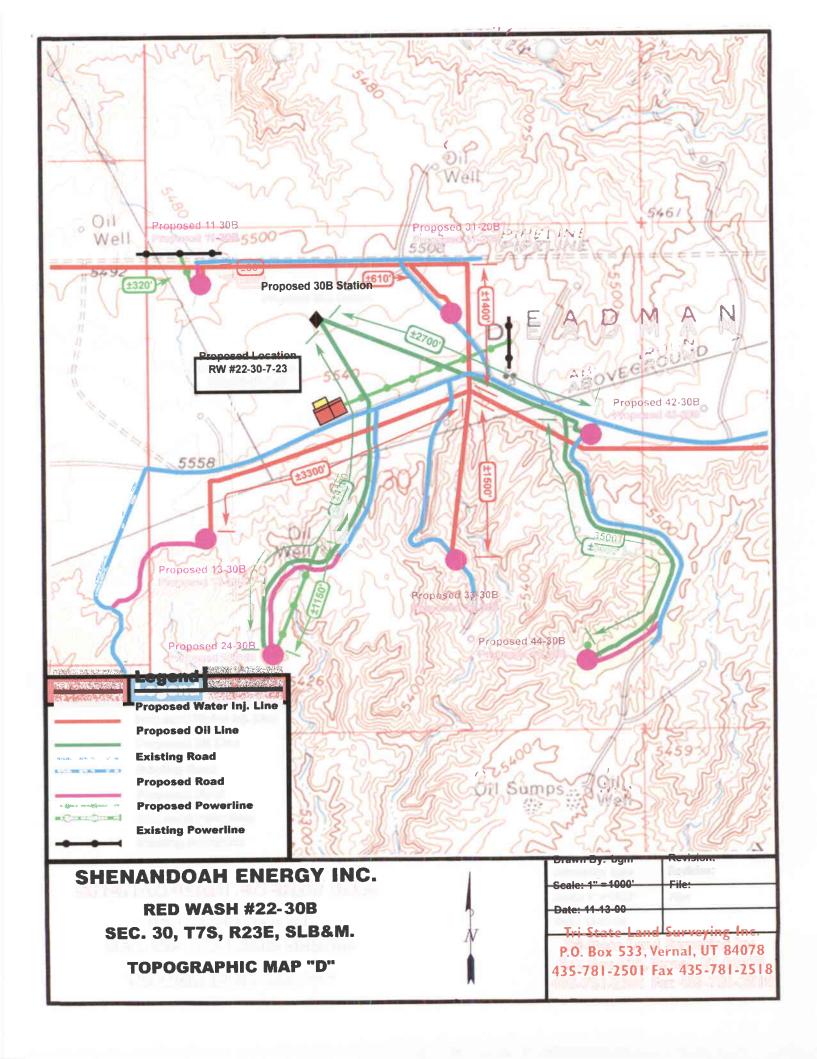
SOIENANDOAH ENERGO INC. CROSS SECTIONS RED WASH #22-30B 20, STA. 3+25 1" = 50' 20, STA. 2+50 1" = 50' EXISTING GRADE FINISHED GRADE 20, WELL HOLE 1" = 50' STA. 1+75 STEPPEN PROPERTY. 20, 1" = 50" STA. 0+00 RECEIVED APPROXIMATE YARDAGES CUT = 3.150 Cu. Yds.NOV 2 1 2000 FILL = 1,190 Cu. Yds. **DIVISION OF** PIT = 2,370 Cu. Yds. OIL. GAS AND MINING 6" TOPSOIL = 1,260 Cu. Yds. Tri State (435) 781 Land Surveying, Inc. 38 WEST 100 HORTH VERNAL UTAH 84078 (435) 781-2501 1" = 50" SCALE: SURVEYED BY: L.D.T. DATE: 11-13-00 DRAWN BY: J.R.S.











WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/21/2000	API NO. ASSIGNED: 43-047-33767			
WELL NAME: RWU 22-30B OPERATOR: SHENANDOAH ENERGY INC (N4235) CONTACT: JOHN BUSCH	PHONE NUMBER: 435	5-781-4341		
PROPOSED LOCATION:	INSPECT LOCATN I	BY: / /		
SENW 30 070S 230E SURFACE: 1896 FNL 1891 FWL	Tech Review	Initials	Date	
BOTTOM: 1896 FNL 1891 FWL UINTAH	Engineering			
RED WASH (665)	Geology			
LEASE TYPE: 1-Federal	Surface		4	
LEASE NUMBER: U-02030 SURFACE OWNER: 1-Federal PROPOSED FORMATION: GRRV				
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UT-0969) N Potash (Y/N) N Oil Shale (Y/N) *190-5 (B) or 190-3 Water Permit (No. 43-8496) N RDCC Review (Y/N) (Date:) NA Fee Surf Agreement (Y/N)	R649-3-3. Ex Drilling Unit Board Cause Eff Date: Siting:	it RED WASH neral m Qtr/Qtr % 920' I ception		
COMMENTS: Red Wash Sof, Separate file				
STIPULATIONS: (1) FEDERAL APPROVAL				



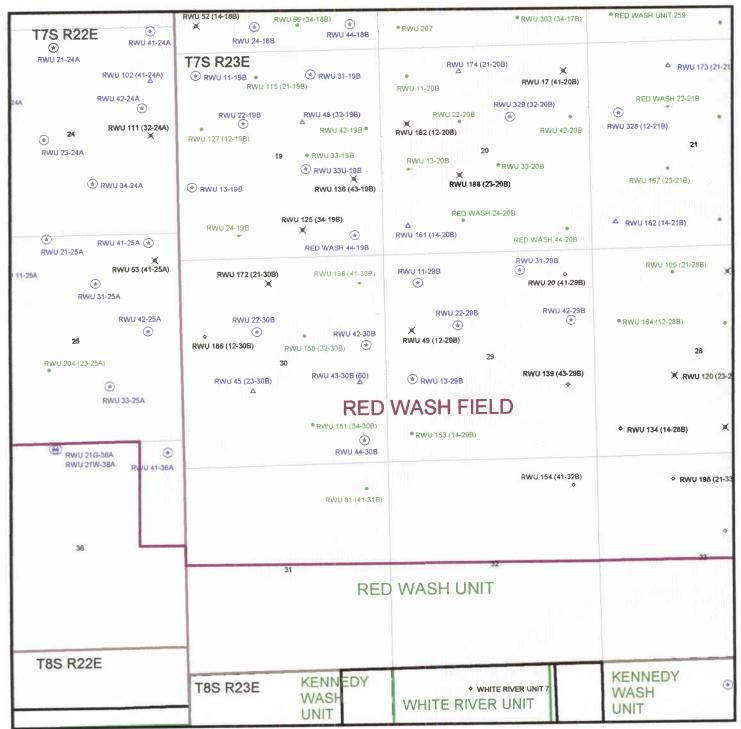
OPERATOR: SHENANDOAH ENERGY (N4235)

FIELD: RED WASH (665)

SEC. 29 & 30, T7S, R23E,

COUNTY:UINTAH UNIT: RED WASH

SPACING: R649-3-2 & R649-3-3



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

November 29, 2000

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2000 Plan of Development Red Wash Unit,

Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2000 within the Red Wash Unit, Uintah County, Utah.

Api	Number	Well	Location
Api	Number	Well	Location

(Proposed Green River Completions)

43-047-33764	RWU 13-29B	Sec.	29,	T7S,	R23E	2040	FSL	0673	FWL	
43-047-33765	RWU 22-13A	Sec.	13,	T7S,	R22E	2600	FNL	1866	FWL	4
43-047-33766	RWU 22-29B	Sec.	29,	T7S,	R23E	1874	FNL	1820	FWL	
43-047-33767	RWU 22-30B	Sec.	30,	T7S,	R23E	1896	FNL	1891	FWL	
43-047-33768	RWU 31-29B	Sec.	29,	T7S,	R23E	0481	FNL	1873	FEL	
43-047-33769	RWU 41-24A	Şec.								
43-047-33770	RWU 42-29B	Sec.								
43-047-33771	RWU 42-30B	Sec.								
43-047-33772	RWU 44-30B	Sec.	30,	T7S,	R23E	0586	FSL	0542	FEL	

^{*} Well currently not within an existing participating area

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Red Wash Unit

Division of Oil Gas and Mining

Agr. Sec. Chron Fluid Chron

MCoulthard:mc:11-29-0

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Bivision Director 801-359-3940 (Fax) 801-538-7223 (TDD)

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax)

November 30, 2000

Shenandoah Energy Inc. 11002 E 17500 S Vernal, UT 84078

Re:

Red Wash Unit 22-30B Well, 1896' FNL, 1891' FWL, SE NW, Sec. 30, T. 7 South,

R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33767.

Sincerely,

Associate Director

er

Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:		Shenandoah Ener	rgy Inc.	
Well Name & Number_		Red Wash Unit 2	2-30B	
API Number:		43-047-33767		
Lease:		U 02030		
Location: SE NW	Sec. 30	T 7 South_	R. 23 East	

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Form 3160-3 (July 1992)

UNITED STATES

SUBMIT IN TRIPLICATE*
(Other instructions on

FORM APPROVED
OBM NO. 1004-0136
Expires: February 28,1995

5. LEASE DESIGNATION AND SERIAL NO.

DEPARTMENT OF THE INTERIOR

U-0203

BUREAU OF LAND MANAGE	MENT		U-020	030
APPLICATION FOR PERMIT TO	DRILL OR DEEPEN	I	6. IF INDIAN, ALLOTTEE O	R TRIBE NAME
1a. TYPE OF WORK			N//	A
DRILL X DEEPEN			7. UNIT AGREEMENT NAM	E
b. TYPE OF WELL			RED WAS	H UNIT
OIL GAS	SINGLE MULTIPLE	\Box	8. FARM OR LEASE NAME,	WELL NO.
WELL X WELL OTHER 2. NAME OF OPERATOR	ZONE A ZONE		RWU #2	2-30B
Shenandoah Energy Inc.			9. API WELL NO.	
3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341	11002 East 17500 South	1		
Fax: 435-781-4329	Vernal, Utah 84078		10. FIELD AND POOL, OR V	MILDCAT
4. LOCATION OF WELL (Report location clearly and in accordance with	nny State requirements.*)		RED WAS	H UNIT
At surface 1895.8' FNL 1890.6' FWL SENW	RECEIVED		11. SEC.,T.,R.,M., OR BLK	
At proposed prod. Zone			AND SURVEY OR AREA	
Same	NOV 1 7 2000		SEC. 30, T	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POS 4 miles West of Redwash Utah	IT OFFICE'		12. COUNTY OR PARISH Uintah	13.STATE Utah
15. DISTANCE FROM PROPOSED*	16. NO. OF ACRES IN LEASE		CRES ASSIGNED	<u> </u>
LOCATION TO NEAREST 1890' +	1875.8	TO THIS	WELL 40	
PROPERTY OR LEASE LINE, FT. (Also to searcet drig. Unit line if any)	19. PROPOSED DEPTH	SA BATABY	OR CABLE TOOLS	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, 1000' +	5944'	LU. NO IAN	Rotary	
OR APPLIED FOR ON THIS LEASE, FT.		<u> </u>	22. APPROX. DATE WORK	WILL START
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5554.3' GR	•		A.S.	
23. PROPOSED CASING AND CEMENTING PROGRAM				
REFER TO S.O.P				
Shenandoah Energy Inc. proposes to drill a well to 5944'	to test the Green River. If produ	ctive, casi	ng will be run and the	well completed.
If dry, the well will be plugged and abandoned as per BLM			Proc. Kara	. Julia di M. Mariana Timo
Opeations will be according to the Standard Operating Pr	ocedures for the Red Wash Unit	t,Wonsits V	alley Federal Uniten	Eufranking
areas Green River formations.				
See Onshore Order No. 1 attached.			APR	2 3 2001
Please be advised that Shenandoah Energy Inc. is consid	ered to be the operator of the a	bove menti	loned well. DIV	SION OF
Shenandoah Energy Inc. agrees to be responsible under	he terms and conditions of the	lease for ti	ie operations C.S	AND MINING
conducted upon the lease lands.			AAL II	
Bond coverage for this well is provided by Bond No. 0969	. The principal is Shenandoah		(:()Ni	HI) HNIIAL
Energy Inc. via surety as consent as provided for in 43 Ci	FR 3104.2.		VVIII	
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen,	give data on present productive zone and prepor	ned new producti	ve zone. If proposal is to drill or	
deepen directionally, give pertinent data on subcurface locations and measured and true 24	vertical depths. Give blewest preventer program	m If any.		
SIGNED JOHN BUS	ch TITLE Red Wash Operatio	ne Benres	entative DATI	11/16/00
JOHN DUNCK JOHN BUS	TILE Red Wash Operation	ns Represe	BILLALIVE DATE	11/10/00
(This space for Federal or State office use)			NOTICE OF	APPROVA
PERMIT NO.	APPROVA	L DATE	HO HOL OF	ALLIOTAL
		- mblab	and the smaller of the section of	anarations therea-
Application approval does not warrant or certify that the applicant holds legal or of CONDITIONS OF APPROVAL, IF ANY:	uitable title to these rights in the subject less	e which would e	entitle the applicant to conduct	operations indipon.
$a/\sim 11$	Accietant Eint	d Manaa	or	
They a lot all long and	Assistant Field Mineral Re	u ividilay sourcee	DI DATE AU	Imalsi
APPROVED PT JUWWALON KUMUVISA	, life manoralite	0001003	· • • • • • • • • • • • • • • • • • • •	gun

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or faudulent statements or representations as to any matter within its jurisdiction.

COAs Page 1 of 4 Well No.: RWU #22-30B

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.	
Well Name & Number: R'WU #22-30B	
API Number: <u>43-047'-33767</u>	
Lease Number: <u>U - 02030</u>	
Location: SENW Sec. 30 T. 7S R. 23E	
Agreement: RED WASH LINIT	

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. <u>DRILLING PROGRAM</u>

1. Casing Program and Auxiliary Equipment

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 2,990 ft.

SURFACE CONDITIONS OF APPROVAL

Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: <u>Surface Operating Standards for Oil and Gas Exploration and Development</u>, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turn outs should be kept clear so that when the snow melts the water will be channeled away from the road.

Shenandoah Energy will control noxious weeds along the right-of-way for roads, pipelines, well sites or other applicable facilities. If noxious weeds spread from disturbed areas onto adjoining lands, Shenandoah shall be responsible for control of the infestation. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

If cultural resources or paleontological resources are found, the BLM Authorized Officer shall be notified. Procedures described in the Standard Operating Practices for Red Wash Unit Green River Formation Wells will be followed as such finds are evaluated.

A Burrowing Owl Inventory must be conducted by a qualified biologist to determine if any Burrowing Owls are present in the vicinity before allowing any construction and drilling activities of this project to begin during the breeding season April 10 through August 15. If Burrowing Owls are present in the vicinity, no construction and drilling of this location shall take place during the Burrowing Owl breeding season of April 10 through August 15 in order to limit impacts to owl habitat.

The reserve pit does not need a liner unless blasting is required.

Four to six inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. This topsoil should be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked in to the soil with a dozer.

COAs Page 4 of <u>4</u> Well No.: RWU #22-30B

4 lbs/acre

4 lbs/acre

4 lbs/acre

The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed it should be recontoured and the topsoil respread, then the area should be seeded in the same manner as the topsoil.

When the location is plugged and abandoned, it should be recontoured to natural contours, topsoil respread, and the entire location seeded with the recommended seed mix.

Seeding could be done by drilling the seed or by broadcasting the location and walking it in with a dozer. Seeding should take place immediately after the dirt work is completed.

The following seed mix shall be used to seed the topsoil pile, reserve pit and for final abandonment of the location:

Fourwing saltbush
Needle and threadgrass
Western wheatgrass

Atriplex canescens
Stipa comata
Agropyron smithii

All poundages are in pure live seed.

When installing the surface pipeline bundle, the pipelines should be welded on location and dragged into place using a dozer or backhoe. The bundling crew should then make one pass along the pipeline staying on the pipeline route or roads located in the area.

When installing the powerpoles and lines, vehicles shall stay on the flagged route, existing roads, or other previously disturbed areas.

Unless otherwise agreed to by the authorized officer in writing, powerlines shall be constructed in accordance with standards outlined in "Suggested Practices for Raptor Protection on Powerlines", (Raptor Research Foundation, Incorporated, 1981. Shenandoah shall construct the powerline in accordance with those standards or Shenandoah shall assume the burden and expense of proving pole designs not shown in the above publication are "eagle safe". Such proof shall be provided by a raptor expert approved by the authorized officer. The BLM reserves the right to require modifications or additions to all powerline structures placed on this route authorization, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by Shenandoah without liability or expense to the United States Department of the Interior.

Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135

Expires: March 31, 1993

Lease Designation and Serial No. U-02030

SUNDRY NOTICES AND REPORTS ON WELLS

SUBMIT IN TRIPLICATE

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT—" for such proposals

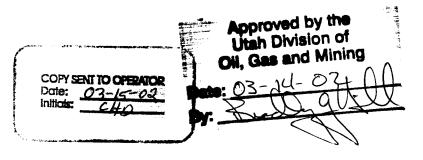
5. If Indian, Allottee or Tribe Name

If Unit or CA, Agreement Designation

1.	Type of Well		Red Wash Unit
	Oil Gas Well Well Other		8. Well Name and No. RWU 22-30B
2.	Name of Operator SHENANDOAH ENERGY INC		9. API Well No.
3.	Address and Telephone No 11002 E. 17500 S. VERNAL, UT 84078-8526	(801) 781-4341	43-047-33767 10. Field and Pool, or Exploratory Area
4.	Location of Well (Footage, Sec., T., R., M., or Survey Description)		RED WASH - GREEN RIVER
	1896' FNL, 1891' FWL SENW	75 RZ3E SEC-30	11. County or Parish, State UINTAH, UTAH
12.	CHECK APPROPRIATE	BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, O	OR OTHER DATA
	TYPE OF SUBMISSION	TYPE OF ACTION	
	X Notice of Intent	Abandonment	Change of Plans
		Recompletion	New Construction
	Subsequent Report	Plugging Back	Non-Routine Fracturing
		Casing Repair	Water Shut-Off
	Final Abandonment Notice	Altering Casing	Conversion to Injection
		X Other APD Extension	Dispose Water
			ote) Report results of multiple completion on Well mpletion or Recompletion Report and Log form.)
13.	Describe Proposed or Completed Operations (Clearly state all pertiner give subsurface locations and measured and true vertical depths for all	t details, and give pertinent dates, including estimated date of starting any proposed work. If wel markers and zones pertinent to this work)	l is directionally drilled,

and the second s

Shenandoah Energy Inc. hereby requests an 1 year extension on the $RWU\,22\text{--}30B$.



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MAR 14 2002

DIVISION OF OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct. Signed JOHN BUSCH	Title	OPERATIONS REPRESENTATIVE	Date	2/28/02
(This space for Federal or State office use) Approved by: Conditions of approval, if any	Title		Date	
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to ma representations as to any matter within its jurisdiction.	ake to any	department or agency of the United States any false, fictitious or fraudulen	t statements	or

Form 3160-5 (June 1990)

DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

F	ORM	APPRO	V	EU	,
	_				

U-02030

N/A

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ase Desig	mation a	nd Seria	No.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir Use "APPLICATION FOR PERMIT—" for such proposals

If Indian, Allottee or Tribe Name

===	SUBM	IT IN TRIPLICATE	7. If Unit or CA, Agreement Designation
1.	Type of Well		Red Wash Unit
	Oil Gas Well Well Other	RECEIVED	8. Well Name and No.
	X Well Well Other	APR 2 3 2002	RWU 22-30B
2.	Name of Operator SHENANDOAH ENERGY INC		9. API Well No.
3.	Address and Telephone No		43-047-33767
	11002 E. 17500 S. VERNAL, UT 84078-8526	(801) 781-4341	10. Field and Pool, or Exploratory Area
4.	Location of Well (Footage, Sec., T., R., M., or Survey Description)		RED WASH - GREEN RIVER
	1896' FNL, 1891' FWL SENW		11. County or Parish, State UINTAH, UTAH
12.	CHECK APPROPRIATE	BOX(s) TO INDICATE NATURE OF NOTICE, REPORT,	OR OTHER DATA
		TYPE OF ACTION	

TYPE OF SUBMISSION	TYPE OF ACTION			
X Notice of Intent	Abandonment	Change of Plans		
•	Recompletion	New Construction		
Subsequent Report	Plugging Back	Non-Routine Fracturing		
	Casing Repair	Water Shut-Off		
Final Abandonment Notice	Altering Casing	Conversion to Injection		
	X Other APD Extension	Dispose Water		
		(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)		

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 22-30B.

RECEIVED

JUN 1 2 2002

DIVISION OF OIL, GAS AND MINING

CONDITIONS OF APPROVAL ATTACHED

4. I hereby certify that the foregoing is true and correct. Signed JOHN BUSCH	Title	OPERATIONS REPRESENTATIVE	Date	4.22.02
This space for Federal or State office us.) Approved by:	Title	Petroleum Engineer	Date	615102
Conditions of approval, if any Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to m: representations as to any matter within its jurisdiction.	ake to any	department or agency of the United States any false, fictitious or fr	audulent statement	s or

Shenandoah Energy Inc. APD Extension

Well: RWU 22-30B

Location:

SENW Sec 30 T7S, R23E

Lease: U-2030

CONDITIONS OF APPROVAL

An extension for the referenced APD is granted with the following conditions:

- 1. The extension will expire 4/16/03
- 2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood of this office at (435) 781-4486

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JUN 1 2 2002

DIVISION OF OIL, GAS AND MINING Form 3160-5

_Approved By

UNITED STATES

FORM APPROVED	
OMB NO. 1004-0135	
Expires: November 30, 200	0

Date

SURBATI OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-infer an abendoned well. Use form 319-03 (APP) for such proposals. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. 1. Type of Well 20 ON Well Gas Well Other Contact: RALEEN SEARLE Well Name and You RED WASH 22-30B SINDRY OFFICE OTHER SEARLE Search Other SHENANDOAH ENERGY INC. 1. Type of Well Gas Well Other Contact: RALEEN SEARLE Search Other Other		PARTMENT OF THE IN		OMB :	NO. 1004-0135 November 30, 2000	
Do not use this form for proposals to drill or for re-inter an abandoned well. Use form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. CONFIDENTIAL I. Type of Well CONFIDENTIAL SUBMIT IN TRIPLICATE - Other Instructions on reverse side. CONFIDENTIAL SUBMIT WITH IN TRIPLICATE - Other Instructions on reverse side. RED WASH 12-300 SUBMIT IN TRIPLICATE - Other Instructions on reverse side. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. SUBMIT IN TRIPLICATE - Other Instructions on reverse side. SUBMIT IN TRIPLICATE - Other Instruction on Recommendation of Recommendation of Recommendation of Recommendation of Recommendation of Recommendation on Recommendation Recommendation on Recommendation on Recommendation on Recommendation Recommendation on Recommendation Recommendati				5. Lease Serial No.	5. Lease Serial No.	
SUBMIT IN TRIPLICATE - Other Instructions on reverse side. T. If Unit or CA/Agreement, Name said/or No. RED WASH	SUNDRY	SUNDRY NOTICES AND REPORTS ON WELLS				
1. Type of Well	abandoned wel	i. Use form 3160-3 (APD) for such proposals.	6. If Indian, Allottee	or Tribe Name	
1. Type of Well Soil Well Gas Well Other	QI IBMIT IN TOI	PLICATE - Other instruct	tions on reverse side	7. If Unit or CA/Ago	reement, Name and/or No.	
Rein Well Gas Well Gober 2. Name of Operator SHENANDOAH ENERGY INC. Contact: RALEEN SEARLE SHENANDOAH ENERGY INC. Contact: RALEEN SEARLE SHENANDOAH ENERGY INC. 3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078 Location of Well (Footage, Sec., T. R. M., or Survey Description) Sec 30 T7S R23E SENW 1896FNL 1891FWL 11. COUNTY, UT 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Change Plans Practure Treat Change Plans Practure Treat Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Temporar		- LIOATE - Outer mission		RED WASH		
SHENANDOAH ENERGY INC. E-Mail: rabeen.seafe@questar.com 4.9-447-33767 3a. Address 1b. Phone No. (Einstels erea code) Ph. 435.781.4309 Ph. 436.781.4309 Ph. 436.781.4309 11. County or Parish, and State UINTAH COUNTY, UT 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidizz		er	CONFIDENTIA			
110.02 EAST 17500 SOUTH VERNAL, UT 84078 4. Location of Well (Footage, Sec., T. R., M., or Survey Description) 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION Acidize Deepen Practure Treat Reclamation Recomplete Other Casing Practure Treat Reclamation Recomplete Other Plug and Abandon Recomplete Other Plug and Abandon Recomplete Other Recomplete Recomplete Recomplete Reclamation Recomplete	2. Name of Operator SHENANDOAH ENERGY INC					
4. Location of Well (Footoge, Sec., T., R. M., or Survey Description) 11. County or Parish, and State UINTAH COUNTY, UT 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION 13. Notice of Intent Acidize	11002 EAST 17500 SOUTH		Ph: 435.781.4309		or Exploratory	
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize		, R., M., or Survey Description)		11. County or Parish	h, and State	
TYPE OF SUBMISSION Acidize	Sec 30 T7S R23E SENW 189	6FNL 1891FWL		UINTAH COU	NTY, UT	
TYPE OF SUBMISSION Acidize					·	
Notice of Intent	12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATURE OF N	OTICE, REPORT, OR OTH	ER DATA	
Subsequent Report	TYPE OF SUBMISSION		TYPE OF	ACTION		
Subsequent Report		☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
Final Abandonment Notice Change Plans Plug and Abandon Temporarily Abandon Convert to Injection Plug Back Water Disposal	Notice of Intent	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	■ Well Integrity	
Convert to Injection Plug Back Water Disposal	☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomplete	Other	
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) Shenandoah Energy Inc. hereby requests an one year extension on the APD for the RW 22-30B. Approved by the Utah Division of OH, Gas and Mining Date: 03-3-3-3 Initiot: 03-3-3-3 Div OF OIL, GAS & MINING 14. I hereby certify that the foregoing is true and correct. Electronic Submission #19956 verified by the BLM Weil Information System For SHENANDOAH ENERGY NC., will be sent to the Vernal Name (Printed/Typed) RALEEN SEARLE Title REGULATORY AFFAIRS ANALYST	☐ Final Abandonment Notice	Change Plans	☐ Plug and Abandon	□ Temporarily Abandon		
If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) Shenandoah Energy Inc. hereby requests an one year extension on the APD for the RW 22-30B. Approved by the Utah Division of OH, Gas and Mining Dete: 3-3-3-3 Div Final Corps and Div OF OIL, GAS & MINING Initial Corps and Div OF OIL, GAS & MINING Initial Corps and Div OF OIL, GAS & MINING Name (PrintedTyped) RALEEN SEARLE Title REGULATORY AFFAIRS ANALYST Date 03/25/2003		☐ Convert to Injection	☐ Plug Back	□ Water Disposal		
Approved by the Utah Division of Oil, Gas and Mining Dete: 03-3-03 Div OF Oil, GAS & MINING 14. I hereby certify that the foregoing is true and correct. Electronic Submission #19956 verified by the BLM Well information System For SHENANDOAH ENERGY NC., will be sent to the Vernal Name (Printed/Typed) RALEEN SEARLE Title REGULATORY AFFAIRS ANALYST Date 03/25/2003	If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f	ally or recomplete horizontally, and will be performed or provide operations. If the operation respondent Notices shall be file in all inspection.)	give subsurface locations and measu the Bond No. on file with BLM/BIA ults in a multiple completion or reco d only after all requirements, includ-	red and true vertical depths of all per Required subsequent reports shall to impletion in a new interval, a Form 3 ing reclamation, have been completed	tinent markers and zones.	
Utah Division of Oil, Gas and Mining Date: 33-31-03	Shenandoah Energy Inc. here	by requests an one year e	extension on the APD for the	RW 22-30B.		
Name (Printed/Typed) RALEEN SEARLE Signature Date 03/25/2003	Date: 03-31-03 Date: 03-31-03 Date: 03-31-03 Date: 03-31-03 Date: 03-31-03 Date: 03-31-03 Div OF OIL, GAS & MINING					
Name (Printed/Typed) RALEEN SEARLE Title REGULATORY AFFAIRS ANALYST Date 03/25/2003	14. I hereby certify that the foregoing is	s true and correct. Electronic Submission #	19956 verified by the BLM Well	Information System		
Signature Rallen Slavle Date 03/25/2003						
	Name (Printed/Typed) RALEEN	SEARLE	Title REGUL	A LUKY AFFAIRS ANALYST		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	Signature Kallen	Jearle_	Date 03/25/2	003		

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Title

Office



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, Utah 84078-2799 http://www.blm.gov/utah/vernal

Phone: (435) 781-4400 Fax: (435) 781-4410

IN REPLY REFER TO: 3160 UT08300

June 12, 2003

Raleen Searle Shenandoah Energy Inc. 11002 East 17500 South Vernal, UT 84078

Re:

Notification of Expiration Well No. RWU 22-30B SENW, Sec. 30, T7S, R23E Uintah County, Utah Lease No. UTU-02030 Red Wash GR

Dear Raleen:

CC:

The Application for Permit to Drill the above-referenced well was approved on April 16, 2001. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 16, 2003. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker

Legal Instruments Examiner

Leslie Walker

UDOGM – Diana Mason

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JUN 1 8 2003

DIV. OF OIL, GAS & MINING



State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

June 19, 2003

Raleen Searle Shenandoah Energy Inc. 11002 East 17500 South Vernal, Utah 84078

Re: APD Rescinded - RWU 22-30B, Sec. 30, T.7S, R.23E - Uintah County, Utah,

API No. 43-047-33767

Dear Ms. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 30, 2000. On March 14, 2002 and on March 31, 2003 the Division granted a one-year APD extension. On June 12, 2003 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM was being returned. I contacted you at that time and you requested that the APD filed with the Division be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 12, 2003, as requested.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Engineering Technician

cc: Well File

Bureau of Land Management, Vernal

